

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7415

BILL NUMBER: HB 1801

NOTE PREPARED: Jan 8, 2003

BILL AMENDED:

SUBJECT: Definition of Grocery Store.

FIRST AUTHOR: Rep. Kuzman

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill defines "grocery store" for alcoholic beverage statutes.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This bill will impact the Alcoholic and Tobacco Commission (ATC) insofar as it will require the Commission to evaluate a number of alcoholic beverage permittees to determine if they fall under the grocery store definition. The additional administrative burden on the ATC is expected to be covered using existing staff and resources.

Background Information: While Indiana Code currently does not define "grocery store" for alcoholic beverage purposes, it does contain provisions that make grocery stores specifically eligible to obtain a beer or wine dealer's permit. Based on information from the ATC, it is estimated that approximately 1,300 retailers in Indiana sell beer and wine under the authority of an ATC-issued grocery store permit. The bill defines a grocery store as a store that both annually sells over \$500,000 of certain food items and has food sales accounting for over 50% of its total sales. It is not known how many current retailers with ATC grocery store permits would be excluded from this definition.

Explanation of State Revenues: *Permit Fee Revenue:* If the bill reduces the number of stores that are eligible to sell beer and wine, permit fee revenue deposited into the Alcoholic Beverage Commission's Excise Fund could decrease slightly. One-third of the revenue deposited into the Excise Fund from permit fees is distributed to the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Permit Fee Revenue:* If fewer alcoholic beverage permits are issued, revenue to local units would also decrease. Two-thirds of the Excise Fund revenue from alcoholic beverage permit fees is distributed to the general fund of cities, towns, and counties based on population.

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected:

Information Sources: Don Okey, Excise Industry Liaison, Alcohol and Tobacco Commission, 232-2463.

Fiscal Analyst: John Parkey, 317-232-9854